



## **BASIS OF ESTIMATE**

H.R. 3797 would authorize the D.C. Courts to enter into agreements with nonfederal entities to lease commercial or special-purpose property. Such agreements could obligate the federal government for up to 10 years without regard to provisions of the Anti-Deficiency Act. Thus, the government's obligations could occur in advance, or in excess, of appropriated amounts. The legislation thereby provides contract authority—the authority to obligate funds in advance or in excess of appropriations to cover the obligation.

Based on information from the D.C. Courts, CBO expects that the agency would use the authority in H.R. 3797 to enter into an operating lease for temporary office space during renovations to the H. Carl Moultrie Courthouse at an estimated cost of about \$20 million over the next 10 years. Assuming that this lease would qualify as an operating lease under the government's scorekeeping guidelines and if it did not contain a cancellation clause, budget authority would be recorded in the budget in the year of enactment equal to the estimated total payments expected over the full term of the lease. (If the lease contract were to contain a cancellation clause, the budget authority that would be necessary for each year's lease payments would be recorded for that year in the budget. For the first year of the lease, the budget also would record an amount sufficient to cover costs associated with cancellation.)

Because the authority is not limited to a particular project or purpose, it is possible that the D.C. Courts could use the authority in this legislation to lease special-purpose facilities specifically constructed for use by the D.C. Courts. If appropriated funds are not available for the planned C Street expansion to the H. Carl Moultrie Courthouse, it is possible that the D.C. Courts could use the authority provided in H.R. 3797 to enter into lease-purchase agreements to facilitate new construction to allow the consolidation of the Family Court and related services. For such agreements, the budget records the full cost of the federal obligation when the leases are initially approved. Using information from the Master Plan for Judiciary Square, the Government Accountability Office, and the General Services Administration, CBO estimates that such a new addition would cost \$63 million. At this time, however, we have no basis for predicting whether the authority that would be provided by H.R. 3797 would be used for such an addition, and we have not included those costs in this estimate.

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